RAPPAHANNOCK ELECTRIC COOPERATIVE
BOARD OF DIRECTORS MEETING

M I N U T E S

WEDNESDAY, SEPTEMBER 23, 2026

The regular meeting of the Board of Directors of Rappahannock Electric Cooperative ("REC") was held at REC's headquarters, located at 247 Industrial Court, Fredericksburg, VA 22408, on Wednesday, September 23, 2026, pursuant to a five-day prior notice, all in accordance with REC's Bylaws. The following directors were present:

Eugene L. Campbell, Jr., Darlene Carpenter, Linda R. Gray, Michael W. Lindsay, Eric T. Paulson, Sanford Reaves, Jr., Christopher G. Shipe, Randy Thomas, and J. Mark Wood.

Also present were:
President & Chief Executive Officer, John D. Hewa
Chief Human Resources Officer, Patricia J. Hatcher
Chief Strategy, Technology & Innovation Officer, Peter Muhoro
Chief Engagement & Consumer Officer, Tracey Steiner
Chief Financial Officer, Steven G. Roddy
Chief Grid Operations Officer, Jason Satterwhite
Chief Growth Officer, Herschel Arant
Director of Governance & Executive Administration/Assistant Secretary, Whitney S. Watts
General Counsel, Charles W. Payne, Jr.

The following REC staff joined the meeting virtually for various presentations:

Managing Director – Communications & Public Relations, Casey Hollins
Managing Director – Government Affairs, Lindsey Watson
Director – Financial Planning & Treasury Services, Melody Peace

Chairman Shipe called the meeting to order at 10:30 a.m. Thereafter, with Chairman Shipe presiding, and with these minutes being transcribed under the direction of Secretary J. Mark Wood, the following proceedings took place (all action being first duly moved and seconded, and all action taken being upon the unanimous vote of the board, or without dissenting vote or abstention, unless otherwise stated).

Gene Campbell gave the meeting invocation. Jason Satterwhite provided the safety briefing.

Approval of Agenda

Chairman Shipe called for any changes, edits, or additions to the agenda. Hearing none, the **board voted to approve the agenda for the September 23, 2026 meeting.**

Introductions and Announcements

Ginni Matern, Founder of Matern Staffing, and her colleagues joined the meeting to present an award. REC employee Stephanie Jarrell, who originally joined REC as a temporary employee, was nominated by Matern, and subsequentially selected for the National Temporary Employee of the Year from the US Staffing Association. Casey Hollins, Ms. Jarrell's supervisor, complimented her contributions and role on the team. The board congratulated her on this recognition and thanked Ms. Matern for the partnership REC has enjoyed for many years. Peter Muhoro shared that the GRIP grant award modification has been received and the project will now move forward.

Approval of the Consent Agenda

Chairman Shipe asked if there were any changes or corrections to the Consent Agenda. After review and discussion of the Consent Agenda, the board **voted to approve the Consent Agenda containing the Minutes of the February 25, 2026 Regular Meeting, the July 2026 Safety Report, the August 2026 Safety Report, the July 2026 Operating Report and Presentation, the August 2026 Operating Report and Presentation, the CoBank Authorized Signatories Resolution, the Q2 2026 Capital Report, and the triennial policy update for the Board Succession Planning policy.**

September 2026 Strategic Initiative Update

Mr. Hewa reviewed the current initiatives associated with this month's board materials.

Unfinished Business

Regulatory Filing Update

Steven Roddy presented an overview and status update on the current regulatory filings that are pending with the State Corporation Commission (SCC). He covered details on the anticipated timelines for the Hyperscale Energy Services retail model decision, the Hyperscale Generation Services arrangement, and the pending SCC guidance for crediting back to consumers on their power bills a portion of the state's auction proceeds for purchases of Regional Greenhouse Gas Initiative (RGGI) carbon emission allowances. More details will be provided to the board as the rulings are issued.

Reports

Risk Committee Report

Randy Thomas gave the report from the Risk Committee. The committee reviewed the risk register and spent time discussing those risks that scored high, scores that have changed since the last quarter, as well as new risks added to the register. The committee also got a preview of new software that is being implemented to help better coordinate risk with compliance monitoring and reporting.

HR Committee Report

Sanford Reaves, Jr. gave the report from the Human Resources Committee. During the committee meeting, the Human Resources team presented the 2027 employee benefits proposal. Rates came in better than the national average for medical premiums. The benefit plans design remains unchanged for 2027. The committee recommended adjusting the employee cost share formula for the family plans. Following discussion, the **board voted to accept the proposed benefits proposal for 2027 as presented.**

Executive Committee Report

Chairman Shipe gave the report from the Executive Committee. The committee had a meeting on August 27 on a variety of topics. The committee continues to collaborate and thanked the board for their highly functioning performance.

Report of the President

Mr. Hewa shared an overview of the Cooperative meetings for the past month. He noted a recent speaking engagement with the Virginia Association of Chamber of Commerce Executives (VACCE), as well as several key meetings including with Delegates Cole, Shin, and Navarro on a variety of topics. He also briefed the board on a recent site visit to Laurel Ridge Community College and their growing lineworker program. He closed the report by mentioning impacts of a recent Executive Order from the President on the security of the bulk power system.

New Business

Large Load Capital Credits Presentation

Melody Peace, Director of Financial Planning and Treasury Services joined the meeting to present the large load capital credit presentation. She provided an overview of the current process, as well as considerations for large load members. She reviewed the reasons for treating LP-DF margins as a distinct financial revenue stream, which include separating margins, protecting reserves, and improving flexibility. She discussed why allocation and retirement methods should be different as well. She provided examples to the board on what the two methods would mean for capital credit disbursements. She closed by providing a draft redline of the capital credits policy for the boards future consideration.

KRTA Presentation

Steven Roddy presented the 2025 Key Ratio Trend Analysis (KRTA) from CFC. The presentation included benchmarking REC against like-sized cooperatives, other Virginia cooperatives, and national average for cooperatives from 2015 to present. REC's ratios are generally in line with like-sized cooperatives and the state group. The board had discussions on several ratios, and Mr. Roddy provided details on each.

Co-op PAC Presentation
Lindsey Watson, Managing Director, Government Affairs joined the meeting. She presented the Co-op PAC campaign for 2026, which will run the month of October. REC continues to have strong support of the PAC which supports co-op friendly legislators in Virginia. She included potential legislation focus areas for the 2027 General Assembly, as well as areas where co-ops will be playing defense. Energy remains a top area of focus in the General Assembly for the upcoming 2027 session.

Governor's Executive Order Summary
Ms. Watson then provided a detailed summary and breakdown of the recently issued Executive Order 22 to implement her Administration's Data Center Accountability Framework, which was issued by Governor Spanberger on September 18, 2026. The order, which among other things, seeks to ensure that the costs of energy infrastructure needed to serve data centers are allocated to them. The order prescribes legislative proposals that can be expected in the 2027 General Assembly session. Ms. Watson shared with the board various areas where large load members may need additional support or clarity from REC. Mr. Hewa also highlighted the data center information website that was recently added to the REC website. For now, there is no action needed by the Cooperative. She will continue to monitor the impact of this executive order and keep the board informed of any relevant updates.

Attorney's Report & Executive Session

The board voted to enter executive session for the attorney's report and executive session agenda items at 1:51 p.m. and after proper motion, voted to exit executive session at 4:15 p.m. The board entered executive session for purposes of discussing legal, employment, negotiations with third parties, or other items of business controlled by non-disclosure agreements or other confidentiality requirements.

No action was taken during executive session.

Following the executive session, the board voted to increase CEO compensation by 3.5%, to issue the annual bonus calculated by performance, and thanked him for his contributions in an environment with growing complexity. Chairman Shipe will work with Human Resources to establish a long-term incentive for the CEO, as the Korn Ferry study continues to show his total compensation below the market rate.

Board Travel and Training

Ms. Watts provided a draft meeting schedule for 2027. This will be on the agenda for the October meeting for approval.

Mr. Campbell provided a recap of the NRECA Regional Meeting earlier this month. He noted that there were six resolutions, all which passed. And he congratulated Chairman Shipe on his re-election to the Federated Rural Electric Insurance Exchange board of directors.

Chairman Shipe called for any further business.

There being no further business, **the board voted to adjourn at 4:35 p.m.**

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J. Mark Wood, Secretary

Attest:

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Christopher G. Shipe, Chairman